

## **COMMITTEE ON LANDS AND BUILDINGS**

**February 21, 2006**

**5:15 PM**

In the absence of the Chairman, the Clerk called the meeting to order.

The Clerk called the roll.

Present: Aldermen Smith, Forest, Roy, Long

Absent: Alderman Thibault

Messrs.: D. Prew, F. Thomas, P. Borek, T. Arnold, D. Clark, K. Dillon,  
T. Bowen, D. Anagnost

On motion of Alderman Smith, duly seconded by Alderman Long it was voted to elect Alderman Roy Chairman Pro-Tem.

Chairman Roy advised that the first purpose of the meeting is organizational in nature, and requested the Clerk to provide a brief overview regarding typical issues addressed by the Committee.

Deputy Clerk Normand stated the Committee on Lands and Buildings shall have jurisdiction over policy regarding City lands and all City buildings with the exception of lands and school houses under the jurisdiction of the Board of School Committee and such other matters as may be referred by the Board of Mayor and Aldermen. The Committee shall review all such referrals and where required after due and careful consideration shall report back to the Board of Mayor and Aldermen.

Chairman Roy addressed Item 4 of the agenda:

Communication from Diane Prew, Information Services Director,  
requesting serious consideration be given to finding a new location for the  
Information Systems Department due to recent flooding occurrences.

Diane Prew, Information Systems Director, stated as my letter indicates we have been in the basement of the Central Fire Station for 25 years. During that time we have had five floods. The first three were due to technical issues in the building, backflow check valves and that kind of thing and those were finally resolved and we had been dry for 14 years. In May 2004 we had quite a substantial flood. The

entire office was wet. Wallboard had to be removed. We had insulation taken out. It was quite extensive the amount of damage that was there and for a number of weeks the staff was displaced. That problem we thought was resolved and then the day after the weekend for Christmas we came into the office and were wet again. At this time they don't have any idea what is causing the problem. The water is coming up through the slab. The Highway Department Facilities Division spent some extensive time reviewing the outside drainage around the building. I believe they brought in cameras and put them down into the pipes to see what was happening. Unfortunately nothing obvious was found so we don't have a resolution to the problem. We do know that it can happen again. A few weeks after the initial flooding we were pretty much dried out but we had some heavy rains and there are some drill holes in the floor that they put in to check what the problem might be. We started watching and the water was rising in those holes. Luckily it didn't rain enough for it to rise up above the slabs but it was definitely coming up again. At this point we really are keeping our fingers crossed that we don't get any heavy rain but if we do we could have serious problems.

Alderman Forest asked all of our computer equipment is there correct.

Ms. Prew answered yes it is. Fortunately our main computer room is on a raised floor so we have not sustained any damage to date on that. If we really had a significant flood there could be damage to the equipment. The rest of the office...I mean after five floods, after the first one you clean up and you are careful and after the second one you say okay nothing on the floor, everything raised up. If you come down to my office you will see that every single piece of equipment is up on a plastic base of some type. We haven't had any equipment damaged. The staff gets displaced. We go upstairs. The Fire Department is very good to us and allows us to take over their training room but it is not an efficient way to function.

Alderman Long stated it would appear to me that just the fact of having moisture in there has the possibility of damaging the computer systems or any electrical system. Are there any available locations that you have heard of or any potential locations?

Ms. Prew responded we briefly took a look at the Franco-American center. We went over with Randy Sherman from the Finance Department. We need to go back and measure the floor space. I am not sure that there is enough floor space to even consider further but we were going to go over and take a look at that and actually measure it. I understand that building might be for sale. Other than that, I am not aware of anything at this time. We are looking for about 6,500 square feet. We need a good size facility.

Alderman Smith asked Frank Thomas to come forward. I was wondering if your engineers have thoroughly studied both the inside and outside of that building.

Frank Thomas, Public Works Director, responded we certainly have and as Diane mentioned we still haven't pinpointed the problem. We feel that there might be an underdrainage system under that portion of the system and that potentially the outlet from that underdrainage system is somehow plugged. One of the things we are looking at is potentially cutting into the floor slab and putting in some kind of sump pump arrangement or at least cutting in and getting access so that we can put down TV cameras. The bottom line is we don't know what is causing the problem. We have done a lot of investigative type of work. We have TV'd a lot of the lines. We have done some separation work out on Manchester and Merrimack Street in the past. As Diane mentioned there was that flooding problem at Christmas time.

Alderman Smith asked is the Police Department next door still experiencing flooding problems like they used to.

Mr. Thomas answered no I think we pretty much have that under control. There is separate drainage there. There used to be sump pumps over there. I am not sure if they are still there. As far as I am aware they haven't had any problems. Diane might know better.

Ms. Prew stated no I don't think they have had any problems over there because we did ask when we were experiencing our problems.

Alderman Smith stated well with all of this equipment there is definitely going to be a cost to move it and there is a cost if there is a flood. As of right now we don't have any location in mind. What I am trying to pursue is if Frank and them can do a thorough survey again to see if they can correct the problem that would be the best approach.

Mr. Thomas stated we are continuing to look at it. Again, we just don't want to dump money into doing something down there in the chance that it may or may not correct the situation. That is why we haven't gone ahead and done the sump pump arrangement. Our people are still reviewing the plans. We are looking at it. I don't have a solution right now.

Alderman Smith asked how long have you been there Diane.

Ms. Prew answered 25 years.

Alderman Smith asked and how many times has this occurred.

Ms. Prew answered five times.

Alderman Smith asked what is the value of your equipment if you could give me a ballpark figure of what the cost would be if something did happen.

Ms. Prew answered in equipment alone there is probably several million dollars worth of equipment involved.

Alderman Forest moved to refer this item to staff to look into the possibility of either fixing the problem of finding a building for them to move into. There is a lot more than just cost involved if we have another major flood down there.

Ms. Prew stated it is also really a health issue for the employees too.

Chairman Roy stated so in the form of a motion and just to take your motion and reword it a little bit I would ask for a two-fold motion. One for Frank Thomas to work with his staff and City staff to find a solution to the problem as well as Diane and maybe the Mayor's Office and the Economic Development Director to evaluate the space and if the problem cannot be rectified we be ready to take action and find another location. As you said, there are millions of dollars worth of equipment and employee's health risks.

Alderman Forest moved on the motion as stated by Chairman Roy. Alderman Long duly seconded the motion. Chairman Roy called for a vote. There being none opposed, the motion carried.

Chairman Roy addressed Item 5 of the agenda:

Discussion regarding a request to purchase Seal Tanning Parking Lot, the Granite Street Parking Lot and discontinuance and purchase of Phillippe Cote Street, if information is available.

Deputy Clerk Normand stated there were two handouts distributed this evening.

Paul Borek, Economic Development Director, stated you have before you a letter from Robert Tuttle, general partner of 1848 Associates, the owners of the mill buildings housing Texas Instruments and Autodesk in the vicinity of the Seal Tanning Parking Lot and Phillippe Cote Street. The request today is to apprise the Committee of their intention to purchase the Granite Lot, the Seal Tanning Lot and Phillippe Street from the City of Manchester. The purpose of this purchase is to provide for the short-term parking needs of their tenants in their Gateway 1, 2 and 3 buildings and also to facilitate the future rehabilitation of the Pandora building.

By purchasing these properties, 1848 Associates would commit to adding a parking deck to the Seal Tanning Lot at their own expense and at the expense of 1848 Associates. This project at their expense would alleviate parking problems for their tenants, Autodesk and Texas Instruments, without any burden to the City. Autodesk, one of the world's largest providers of software and the largest provider of software in the world for the building and architecture industry, presently employs approximately 300 professional software designers and systems engineers at their Manchester facility. They intend to grow to approximately 395 by the end of the year and with the provision of additional parking their employment in Manchester could grow close to 500 employees. Texas Instruments on the other hand has their power system supply and computer interface divisions here in Manchester and they employ 175 technology professionals as well as marketing and support professionals. So the importance of this request today is to retain and provide for the expansion of some significant Manchester employers engaged in technology development and application for worldwide customers. Back to the specifics of the request, the rehabilitation of the Pandora building will require additional parking. 1848 Associates at this time assumes that parking needs associated with the Pandora building would be provided for privately without any burden to the City. The purpose for requesting the purchase of the Granite Street Lot and Phillippe Cote Street at this time is because the efforts to prepare the Granite Street Lot to accommodate a future deck in conjunction with the Granite Street construction interface very closely with the Granite Street construction at this time. At this time I would like to bring Frank Thomas up to talk about the relationship to the Granite Street construction and possibly some of the cost savings that would be realized by the City on Granite Street by virtue of this preparation work that 1848 Associates would commit to doing.

Mr. Thomas stated in your agenda there is information that I had prepared back in August of last year. This proposal has been kicking around for awhile and it is finally formally being brought forward to the Committee on Lands and Buildings and then ultimately the Board. I am not going to rehash everything that is in there. The bottom line is that part of the Granite Street widening project there was a sizable cost associated with basically reconstructing the Granite Street parking lot to try to save approximately the same number of spaces that are there now. As you know, Granite Street is being widened to seven lanes in that area and that widening is being done to the North so we are encroaching on that parking area quite a bit. In order to try to maintain the same number of spaces we were required to build a fairly extensive retaining wall around three sides of that parking lot and to dig out that area. If you know that parking lot, the Granite Street Parking Lot, it is a tiered parking lot on two levels. Part of what we were proposing to do was put that out to one level. We would be obtaining the same number of spaces. This was a very costly undertaking because of as I mentioned the retaining walls around three sides instead of just one side with this proposal

moving forward. As such, we estimated the total savings on the project of about \$1.2 million and that was used in the calculation of the potential selling price of this property. Since that time there was a later update done by our consultant, CLD, who valued that savings to the City at \$1.4 million. We look at it from the Highway Department's point of view as a real positive for the City in that we do save on construction costs on the Granite Street project, which as you know has overrun the available funds due to escalations in construction costs. We have a private party that is proposing to add parking structures in that area. If you remember correctly the Board of Mayor and Aldermen did fund money for us to build a parking deck on the Seal Tanning Lot. We had it all designed and it had gone to bid and for a lot of different reasons we didn't move forward with it. Now you are seeing the private sector spending their money to build this parking and quite frankly the parking that is going to be expanded down there obviously benefits their development. Another point that I did want to make is that there was a concern raised should we be selling some of these assets in the City and the parking management study that was conducted, prior to it being finalized, we consulted with the consultant and they basically said the City doesn't really have a need to retain these parking spaces because really they are not benefiting the public. They are benefiting the abutters. That is why I am saying it is a win-win. There is going to be more parking and it is not going to be funded by the City. It saves construction costs on the Granite Street project and as Paul alluded to it provides the opportunity for the rehabilitation of the Pandora building, which is both a historic and financial asset.

Alderman Forest stated back this summer I was fortunate enough to attend an informational meeting on this project along with Frank Thomas and former assistant development coordinator Bill Jabjiniak and Tom Clark. At the time of the proposal and I was wondering what was taking so long for them to get back to us but there were some good things about this. Mainly a private developer was going to come in and build a parking garage or deck and I believe it is a garage, which is going to be paid with private funds. It is only a win-win situation for the Millyard. There is lack of parking down there and this will help develop the Millyard even further. I am asking this Committee to approve this.

Alderman Long stated I am just seeing this today so I am certainly not prepared to make any decision. Is there a contingency that we would have with respect to that parking like in the evenings for the arena or the baseball stadium or would that be in their purview to pretty much do whatever they decided?

Mr. Thomas responded I think it would be in their purview because again this is privately owned. There aren't any City monies involved with it. I don't think there has been any formal discussions on opening it up to the public at night.

Again, if there is money to be made I would think it would be in their best interest to potentially capitalize on it.

Alderman Lopez stated I remember this project coming in as a hotel and that is how the lots and the streets got involved and now we are going to piecemeal it or at least that is what I am hearing. I don't think that is the whole picture that we should look at when we were declaring roadways as surplus and that. The other thing is that the revenue that we receive from utilizing these lots and I know the Granite Street Parking Lot Mr. Thomas is using now for the bridge and we are leasing some spaces but there was a document and the Traffic Department was supposed to go back and give us an analysis. At the same time the Assessors who are here tonight...I don't know if they had an opportunity...I know you mentioned in previous correspondence that the Assessors were involved in this process but we have new Assessors who probably haven't had a chance to look at this to give a true picture of everything. I am just wondering if we have the complete picture. We have pieces and some conversation. In saying all of that, as to whether those numbers hold true today I think that is what Alderman Long is getting at at the same time. This has been going on quite awhile. Are we going to get a true picture? I could not vote for this today not knowing the numbers from Traffic and not knowing whether \$635,000 is the right price, what the revenue is, what in kind service you gave to them or did we give in kind service. We can take that parking lot any time. It is our parking lot even though maybe somebody is leasing it we have the option as the City to take it and complete a project. Did we really give something for them to calculate that they were losing something? I don't know if we have the whole picture. Could you comment on that?

Mr. Borek replied our intent today is to refer this request to the Committee and ask the Committee to refer the request to the Planning Department to initiate the surplus property disposal process and to the Assessor's Office.

Deputy City Clerk Johnson stated I would like to note that of the two handouts there was a second handout actually from the Planning Director relating to the surplus property ordinance. There are actually three reports required by ordinance. One is from the Planning Department, one from the Tax Collector and the third from the Board of Assessors. The Planning Department has submitted a report giving some background in surplus determination and method of sale if the Committee so desires, which is basically saying that in their opinion you could determine it surplus and as outlined if you wanted to dispose of it in this manner it could be appropriate under certain circumstances and the justifications for it. The Board of Assessors when I spoke to them said they would be prepared to issue a verbal report merely stating that outside appraisals have been given and to the extent the Committee so desires they would recommend that those appraisals be considered rather than the Board of Assessors going through the process again.

That would have to be accepted by this Committee as a recommendation. Thirdly, the Tax Collector has indicated that her report to the Committee if you so desire to hear it is that since it is not dealing with tax deeded property she has no interest or opposition to anything the Committee desires to do.

Alderman Lopez stated I guess that is the point that I am trying to make is to put everything in some type of order so that we get a fresh start. We have a couple of new Aldermen that might not understand this and the purpose to take these streets was to build a hotel and now we are going to give these streets up and a hotel doesn't go in. Where is that going to be? That is why I am talking about the whole picture. I can't vote for something that is going to be piecemeal.

Mr. Thomas stated I think that is a good suggestion. I think what we need to do is come back to you with a solid proposal. Again, a lot of what you have goes back to last August. I feel, myself, that a lot of the information is still good but Alderman Lopez is correct. You need to see from us a proposal that addresses some of the questions you have raised. I think that Paul and the City staff can do that. The intent here was to get some type of direction for us to continue to move forward with this.

Chairman Roy asked is there anyone from 1848 Associates who can address the concerns over the Pandora rehabilitation and the prospects of a hotel development.

Alderman Long stated you letter Paul says close on the Seal Tanning Lot as soon as possible. What are we looking at? What is as soon as possible? A week or a month?

Mr. Borek responded the developers would like to initiate land preparation and construction for a parking deck when the weather breaks in March or so. So I think as soon as possible in conjunction with the City Solicitor about the timing and the process associated with reviewing this request and getting things in order for the purchase.

Don Clark, 1848 Associates, stated as it relates to Pandora specifically, we are in discussions continually about rehabbing that building, what methodology, whether we sell it or retain ownership or lease it and look at a joint use type of agreement. The problem we have now is the need to keep a couple of growing companies in the Millyard and in our buildings. They are experiencing parking issues. Originally, Alderman Lopez when this came up there was discussion about tying some manner of guarantee that Pandora would be rehabbed to the proposal to purchase these three parcels. As our discussions have not come to fruition yet it makes it impossible for us to move forth, spend money and start the road discontinuance process, which has a lengthy appeal process to get the projects



moving. Frankly, the lack of ownership of the parcels continues to inhibit us from moving our discussions on the rehab much further along. It is always well we will come back and talk about it when you own them so that we can actually control and construct parking for the rehabilitation.

Chairman Roy stated the Clerk informs me that we are running a little late on time and we have until 6 PM to wrap up a lot of our issues. Personally I look at this as a win-win for the City but as Alderman Lopez dictated it is a win-win if all of the chips fall into place. We do want to keep the two companies and we want to work with you and we are very glad to see a private developer looking at parking in the Millyard to alleviate the problems. I am personally aware of many leases that have not worked in the Millyard just because of the issue of parking. So we are glad that you are here and we are going to work with you as best we can but having all of the chips fall into place and knowing that the Pandora building is going to be redeveloped is a major concern to not only this Committee but I think everyone in the City. I will look at my colleagues to see...it is time to either move something or table this and ask for additional reports. I will ask the developer one final question. If this is delayed two weeks, fourteen days or twenty-one days what is the impact of that?

Mr. Clark responded it would just basically cause us to delay engaging engineers and designers to create the final drawings for the Seal Tanning deck. We have some preliminary stuff done but we don't want to go forth and spend a whole bunch of architectural dollars on something that is never going to happen. We would like to start construction on that as soon as possible so that it could be done by the time the snow comes.

Chairman Roy asked and just so I am crystal clear and the taxpayers are crystal clear we are not losing either of these companies if a decision is made in 14 or 21 days.

Mr. Clark answered I can't answer that directly but I don't believe...both of their leases extend longer than that 14 day period.

Alderman Long asked would it be possible for us to have a special meeting on this next week.

Chairman Roy stated that would be possible.

Deputy City Clerk Johnson stated we will attempt to schedule something as soon as possible for the Committee.

Chairman Roy stated I would ask for a motion to table this item to a special meeting and ask all of the concerned City departments to be able to report in writing at that meeting and if the developer could also be there.

On motion of Alderman Smith, duly seconded by Alderman Long it was voted to table this item.

Alderman Forest asked if Paul could bring Alderman Long up-to-date...I know Mayor Guinta was involved but maybe we better bring Alderman Long up-to-date seeing it is his ward.

Mr. Borek answered I certainly will.

Chairman Roy addressed Item 6 of the agenda:

Communication from Pierre Bouchard requesting the removal of an easement included in a 1922 deed located at 944 Mammoth Road.

Alderman Smith moved to approve this request. Alderman Forest duly seconded the motion.

Chairman Roy asked is there an impact to the City on this.

Deputy Solicitor Arnold answered I don't believe there would be any cost. I, quite frankly, don't know a lot about this request other than what you have in front of you. I could say that if the Board of Mayor and Aldermen were to approve relinquishing this right-of-way I could certainly prepare the documentation and pass it over to the property owner so there wouldn't be any cost to the City for recording or anything like that.

Chairman Roy called for a vote. There being none opposed, the motion carried.

Chairman Roy addressed Item 7 of the agenda:

Communication from Angelo Mazzella, General Manager of Manchester Wolves, requesting use of the JFK Coliseum for practice sessions beginning the middle of March until the end of August.

Alderman Forest stated I don't think there is anybody here from Parks & Recreation but maybe we should move to refer this to Parks & Recreation and let them negotiate with them. I think Parks & Recreation should have been here to give us some input.

On motion of Alderman Forest, duly seconded by Alderman Long it was voted to table this item pending a report from Parks & Recreation.

Chairman Roy addressed Item 8 of the agenda:

Communication from City Solicitor Clark enclosing a communication from the State of NH Department of Transportation requesting to purchase city land for the proposed Manchester Airport Access Road.

Deputy Clerk Normand stated the Solicitor's Office has requested that this item be tabled.

Chairman Roy stated I will let Kevin Dillon speak to this first.

Kevin Dillon, Airport Director, stated I was just going to quickly mention that this is one parcel of about 10 that the Airport is handling discussions with the state on potential acquisitions. It will be lumped into the appraisal that we are going to do on all of the parcels and then hopefully we will be able to approach the state at that point to talk price. I would certainly agree with the Solicitor's recommendation that this be tabled because the process will probably still take us another couple of months to complete.

On motion of Alderman Smith, duly seconded by Alderman Forest it was voted to table this item.

### **TABLED ITEMS**

On motion of Alderman Forest, duly seconded by Alderman Roy it was voted to remove Item 15 from the table.

15. Communication from Thomas Bowen, Water Works Director, advising of a request from Dick Anagnost of Anagnost Companies, Inc. and Dick Dunfey of MHRA to purchase 16+/- acres of property at fair market value on Karatzas Avenue for the purpose of constructing additional "workforce housing".

Chairman Roy stated we have MHRA and I saw Mr. Anagnost. Tom Bowen is here. Whoever would like to speak to this please come forward.

Tom Bowen, Water Works Director, stated I guess the point we are at is there have been, I guess, some recent developments and interest in the parcel and based on that I think it is the consensus that we need to go back and have some more

discussion among the parties, including the School District. We will get back to the Committee as soon as we have an agreement among the parties.

Alderman Forest stated I think in one of our meetings we had asked for an appraisal on the property. Did you ever get that?

Mr. Bowen responded yes the property has been appraised. We have actually gone ahead and executed a purchase and sales agreement for a portion of the site, which was our understanding of what the School District's original interest was in the property and that P&S reflects that decision. Recently, the School District I guess has rethought that and is now looking for the entire site. That is relatively new information for all of us.

Alderman Smith stated I think in fairness to everyone involved and the fact that the School District has hired an engineering firm and are spending \$27,000 to evaluate the site and that they expect the final report in April I think we should go along with this last request by the School Department.

Chairman Roy stated I have a question for Mr. Anagnost. From the beginning you have been involved in this property. The School let us know that they spent or are planning on spending \$27,000. Have you done any engineering? How are along are you on this project?

Dick Anagnost stated well we have done all of the engineering or a good portion of the engineering on the 10-acre site. I don't know if you read Mr. MacKenzie's letter but when I initially contacted the School District I was informed that there was no interest and then I was informed that they were interested and then I was informed that they could live with six or seven acres and then I met with the Planning staff and they drew the line for us. So on the upper 10 acres that we have entered into the contract for subject to your approval and the approval of the Water Commissioners and the full Board of Mayor and Aldermen we have done a fairly significant amount of work. We have already submitted our entire financing package to NHH-FA in order to progress forward with the financing once we have our approvals in place. We are pretty far into the process at this point.

Chairman Roy stated if we are going to put this on the table I would like this item added to the special meeting so that all parties concerned...actually we have to wait until April for the School District's report. They are not using your engineering company or the same engineering firm are they?

Mr. Anagnost responded no.

On motion of Alderman Forest, duly seconded by Alderman Long it was voted to put this item back on the table.

Mr. Anagnost stated one of the things that the Mayor and Mr. Bowen and I just discussed was pulling all of the parties together – Planning staff, School District, MHRA, Water Works and myself and sharing our engineering to show that...one of their concerns is that they had a wetland on their site. Both our engineer and the Planning staff believe that that wetland is on our site so perhaps if we shared it we might be able to come to a resolution prior to the next meeting.

Chairman Roy stated I think City staff and the Mayor's Office can go forward with that process even if this stays tabled until April waiting for that report and I would highly encourage that. If there is anything that this Committee or any of the Aldermen can do to help facilitate a meeting then we would be glad to do that.

9. Communication from Attorney Michael Kasten, on behalf of Steve and Anna Sacco, proposing to enter into a Boundary Line Agreement with the City for property located at West Shore Avenue and Bodwell Road abutting Crystal Lake.  
*(Note: Tabled 4/18/2005 pending review by Alderman DeVries.)*

This item remained on the table.

10. Discussion of area for dog park.  
*(Note: Tabled 4/18/2005 pending submission of formal layout for the dog park and lease agreement.)*

This item remained on the table.

11. Communication from Robert MacKenzie, Director of Planning, relative to the Blacksmith Shop on Second Street.  
*(Note: Tabled 11/15/2005 pending further review by the CIP Committee.)*

This item remained on the table.

12. Communication from Russel Johnson, PSNH, seeking authorization to place a padmount transformer and cement slab (8' x 8') approximately five (5) feet from the back of the Visitors Center at Veterans Park.  
*(Note: Tabled 7/19/2005 at the request of PSNH pending further discussions with Intown Manchester.)*

This item remained on the table.

13. Communication from Gerald Hebert, Sr., requesting to purchase Lots 246-3, 6 & 7 on Page Street between London and Bridge Streets.  
*(Note: Tabled 7/19/2005 pending additional information from the Board of Assessors and Planning Department.)*

This item remained on the table.

14. Communication from Paul J. Borek, Economic Development Director, regarding the Ash Street School property on Bridge Street.  
*(Note: Tabled 11/21/2005 pending report of School Board action. Enclosed is a copy of a resolution adopted by the School Board on 12/12/2005. Report dated 02/15/2006 submitted by the Director of Planning and Community Development enclosed herein.)*

This item remained on the table.

There beings no further business, on motion of Alderman Smith, duly seconded by Alderman Forest it was voted to adjourn.

A True Record. Attest.

Clerk of Committee